



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 2/20/2009

GAIN Report Number: CO9005

Colombia

Agricultural Situation

Colombian Rice Tender Moves Forward 2009

Approved by:

R Todd Drennan, Agricultural Counselor
U.S. Embassy

Prepared by:

Elizabeth Mello, Agricultural Attaché

Report Highlights:

The quota of 75,118 tons of rice has import and phyto certificates, and is nearly all sold. Nearly the entire quota will be rice of U.S. origin. Colombia may have to import more rice this year as producers struggle to increase production due to falling relative prices. Ecuador is expected to reemerge into the market, and although an additional tender may occur, the strengthening dollar may make U.S. rice less competitive in 2009.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Bogota [CO1]
[CO]

On January 22, the Ministry of agriculture published a 75,118 MT quota of paddy rice to be imported no later than April 30, 2009. This allocation completes the regulatory process announced in October and begun on December 5, 2008 when the government reduced the import duty to zero for the 75,118 MT quota (see GAIN Reports CO8020 and CO9002). Processors and traders who were judged fair participants in the Colombian Rice Industry's check-off program were allocated the quota, of which 98 percent was for U.S. rice. The allocation went to the following mills:

Colombian Mill	Mill Location	Allocation (tons)
Roa	Bogotá	12,000
Diana	Bogotá	10,418
Florhuila	Bogotá	7,000
Procearroz	San Martin	4,844
Arroz Caribe	Itaguí	4,175
Improarroz	Bogotá	2,500
Sonora	Bogotá	2,136
Agua Blanca	Cúcuta	1,558
Boluga	Villavicencio	1,234
Japonesa Brothers	Villavicencio	1,267
La Esmeralda	Jamundi	1,189
Agrocom	Villavicencio	1,094
Granos and Cereales of Colombia	Barranquilla	1,045
51 Other Mills (small allocations)	Throughout Colombia	24,658
Total		75,118

To date, import licenses and phytosanitary certificates have been granted. Sales to date have been made for nearly the entire quota, approximately 70,000 MT. The date for the shipments will be set in the very near future, and shipments are expected to embark between mid March and early April. The entire 75,000 ton quota will be divided into four shipments. Up to 18,000 tons will be shipped to Barranquilla on the northern coast and the rest to Buenaventura on the Pacific coast.

Colombia may have to import more rice this year since as producers struggle to increase production due to falling relative prices. Ecuador is expected to reactivate its participation in the Colombian rice market in the near future, having begun to issue export permits for rice after a year-long hiatus. Ecuador should have rice ready to ship as early as May. Although an additional quota may be allocated for paddy rice in 2009, the dollar's strengthening trend versus the Colombian peso (currently CP\$2550/US\$1.00, having strengthened 50% over the past 7 months) may impact the competitiveness of U.S. Rice in the Colombian market in the future.